



**Request for City Council Committee Action
From the Department of Community Planning & Economic Development**

Date: January 12, 2004

TO: Council Member Barbara Johnson, Ways and Means/Budget Committee

Prepared by: Elfric K. Porte, II., Manager, Housing, Policy & Development Support

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Presenter: Chuck Lutz, Deputy Director, CPED

Approved by: Lee Pao Xiong, Director, Housing _____

Subject: Recalling of three (3) FTEs—CPED Service Workers

RECOMMENDATION: Approval of the addition of three (3) FTEs (Service Workers) to the department's authorized 2004 staff complement.

Previous Directives: The initial approval of the department's 2004 staff complement did not include these three (3) FTEs as it took into account the existing agreement with Hennepin County's Sentence to Service (STS) program.

Financial Impact (Check those that apply)

☐ No financial impact - or - Action is within current department budget.

(If checked, go directly to Background/Supporting Information)

☐ Action requires an appropriation increase to the Capital Budget

☐ Action requires an appropriation increase to the Operating Budget

☐ Action provides increased revenue for appropriation increase

☐ Action requires use of contingency or reserves

☒ Other financial impact (Explain): **Shifts \$33,365 within the Vacant &**

Boarded Housing Program from capital to property management personnel costs.

☐ Request provided to the Budget Office when provided to the Committee Coordinator

Community Impact

Ward: N/A

Neighborhood Notification: N/A

City Goals: N/A

Comprehensive Plan: N/A

Zoning Code: N/A

Living Wage/Job Linkage: N/A

Other

Background/Supporting Information

In August 2003, five CPED service workers were laid-off. The work of the service workers was to be performed by Hennepin County's Sentence to Service (STS) program. As a result of the lay-off and agreement with Hennepin County, the Laborers' Local Union No. 563 filed a grievance. Hennepin County sent CPED a letter stating that CPED and the Laborers' Union should work out a solution to the grievance or Hennepin County would terminate the STS contract on December 31, 2003. Discussions ensued that led to the following agreement. Three of the five serviceworkers will be recalled. One of the five has since retired. There are circumstances that prohibit the immediate recall of the fifth serviceworker. The three serviceworkers will commence work on Wednesday, January 7, 2004.

Impacts of the recall:

- A cancellation in the original contract with Hennepin County in providing STS crews to assist in the property management activities and a new contract to be entered into for only two full-time STS crews
- Payments of \$1,000.00 to each service worker in lieu of back pay
- Each service worker will receive a prorated share of 7.5 months of uniform allowance
- Seamless reactivation of health insurance
- 2004 costs for the reinstatement of these Service Workers include \$198,365 in personnel cost and \$40,000 related to the properties on which these additional staff will be working. These costs are offset by an STS contract reduction of \$205,000. The result is a net cost increase of \$33,365 which will be absorbed within the approved 2004 Vacant and Boarded CDBG budget. 2003 back pay is being charged to unexpended 2003 costs within the same program.